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IN THE

Supreme Court of the United States

ATLANTIC RICHFIELD COMPANY, *et al.*,
Petitioners,

v.

UNION OIL COMPANY OF CALIFORNIA, INC.,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

MOTION FOR LEAVE TO FILE BRIEF *AMICI CURIAE* AND BRIEF *AMICI CURIAE*

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MOTION FOR LEAVE TO FILE BRIEF *AMICI CURIAE* OF AMERICAN PETROLEUM INSTITUTE, NATIONAL PETROCHEMICAL & REFINERS ASSOCIATION, AND WESTERN STATES PETROLEUM ASSOCIATION

American Petroleum Institute ("API"), National Petrochemical & Refiners Association ("NPRA"), and Western States Petroleum Association ("WSPA") hereby respectfully move, pursuant to Rule 37.2 of the Rules of this Court, for leave to file the attached brief as *amici curiae*. Although Petitioners have consented to the filing of this brief, the Respondent has refused to consent to the filing of this brief.

API, NPRA, and WSPA represent virtually all U.S. petroleum refiners and most of the U.S. petroleum industry. Many members of API, NPRA, and WSPA expend large sums of money to produce reformulated gasoline ("RFG"). RFG is mandated by federal and state laws to be sold in about one-third of the country where significant air quality problems may justify RFG's increased cost. Respondent Union Oil Company of California, Inc. ("Unocal") has extraordinary claims to patents for a large number of combinations of RFG that have caused some refiners to reduce their production of RFG to avoid claims of infringement. The continuation of the RFG program is threatened in part because all of Unocal's patents on RFG derive from the one that was upheld below. *Amici* respectfully submit that they are well-positioned to assist the Court in understanding the issues in this case and their significance.

Amici contend that the courts below have incorrectly upheld the validity of a patent for products whose properties are, in significant respects, set forth in federal and state statutes and regulations. Respondent Unocal claims (or is expected to

claim) that essentially all RFG manufactured in the United States in conformance with law infringes its patents, and therefore will impose substantial additional cost on such sales, in the amount of nearly one hundred million dollars per year in the State of California alone, and substantial amounts elsewhere as well. *Amici* not only have an interest in resolving the validity of Unocal's patent, but also have an interest in assuring that the decisions of the courts below will not create confusion or uncertainty in patent law.

For the foregoing reasons, *amici* respectfully request leave to file the attached brief.

Respectfully submitted,

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BRIEF *AMICI CURIAE* OF THE AMERICAN PETROLEUM INSTITUTE, NATIONAL PETROCHEMICAL & REFINERS ASSOCIATION, AND WESTERN STATES PETROLEUM ASSOCIATION

STATEMENT OF INTEREST OF *AMICI CURIAE*[1]

American Petroleum Institute ("API"), National Petrochemical & Refiners Association ("NPRA"), and Western States Petroleum Association ("WSPA") (collectively, "*amici*") together represent virtually all U.S. petroleum refiners and most of the U.S. petroleum industry. *Amici* and their members have an interest in this case because Unocal has been awarded Patent No. 5,288,393 (the "'393 patent") and four other patents that derive from the '393 patent that extend to additional formulations of "reformulated gasoline" ("RFG"), a cleaner form of gasoline which (with some variations) is *required* by federal and state laws to be sold in about one-third of the United States, generally where air pollution is worst. The members of API, NPRA, and WSPA made enormous investments to produce RFG. That investment is now threatened, however, because the validity of Unocal's '393 patent was upheld below (Pet. App. 32a-56a), and affirmed by a 2-1 decision of the Federal Circuit (Pet. App. 1a-31a), Judge Lourie dissenting.

In 42 U.S.C. § 7545(k), Congress mandated that certain geographical areas of the nation use RFG, and that other areas may do so if they are not in attainment with the National

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[1] Pursuant to SUP. CT. R. 37.6, no person or entity other than *amici curiae* has made monetary contributions toward the preparation or submission of this brief, and no counsel for any party has authored this brief in whole or in part.

Ambient Air Quality Standard ("NAAQS") for ozone. *See American Petroleum Inst. v. EPA*, 198 F.3d 275, 281 (D.C. Cir. 2000). As a result of these provisions, approximately 30 percent of the Nation's gasoline is RFG.

Under the Clean Air Act, California has unique statutory rights to establish criteria for fuels sold within its borders that go beyond the requirements of federal law. 42 U.S.C. § 7545(c)(4)(B). The State of California has established its own more stringent requirements, through the California Air Resources Board ("CARB"), for RFG. CAL. CODE REGS., tit. 13, § 2262.1, *et seq.* The State of California has had rules requiring cleaner gasoline since 1971, when it first regulated Reid vapor pressure ("RVP"), a measure of gasoline volatility.

This case arose because Union Oil Company of California ("Unocal") gamed the system by convincing the U.S. Patent and Trademark Office that it had invented RFG needed by Petitioners and other refiners to comply with regulatory requirements. In reality, gasolines covered by Unocal's claims (i.e., fuels "suitable for combustion in an automobile engine") had been used in racing vehicles for many years, and other gasoline covered by the claims in the '393 patent had also been made since the 1970s for aviation purposes. The racing gasoline had actually been marketed for use in street-legal automobiles. Unocal did little more than write down in its patent application the broad ranges of properties that Congress or CARB had already considered, so as to "resemble" CARB's requirements. JA 562.[2]

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[2] After Unocal's patent application was amended -- four times (at least two of which were after CARB issued its proposed rules) -- so as to "resemble" the changing regulatory requirements, and after its patent was

(continued...)

The effect of the judgment of the Federal Circuit, unless overturned by this Court, is to subject Petitioners to claims of infringement for a significant percentage of the RFG they make for sale in California, potentially requiring payment of 5.75 cents per gallon. The amount Unocal claims is about one hundred million dollars per year in California alone, if not more.

As bad as that is, it is not the end of the story. Unocal now contends that virtually *any* RFG composition sold, used, distributed, or blended anywhere in the United States infringes on one or more of Unocal's patents.[3] *Amici* are unaware of any case in which a court has ever held that property limits which were claimed in a patent following their mandate in a statute or regulation may be patented, let alone a substance so vital, and so much in demand, as is gasoline.

The uncertainty created by Unocal's extraordinary claims has caused some refiners to reduce their production of RFG to avoid claims of infringement on one or more of Unocal's patents. *See* Pet. at 9-10. Unfortunately, these entirely understandable actions have contributed to the recent reductions in RFG supply in the Midwest which the Federal Trade Commission suggests may have increased its price. *Id.*

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[2](...continued)
issued, Unocal's spokesman *then* gloated that "we believe that almost any gasoline that would be practical to make and meet state [i.e., California] requirements would fall under the scope of our patent." JA 473.

[3] In early August 2000, Unocal threatened United States gasoline refiners (many if not all of whom are members of *amici*) with infringement lawsuits and punitive damages for the manufacture of RFG unless they quickly executed licensing agreements with Unocal. *See Unocal Extends Offer of Limited Amnesty to Spur Patent Talks*, THE WALL ST. J. (Aug. 21, 2000), p. B13.

It would be one thing if Unocal had invented RFG, then convinced the United States Environmental Protection Agency ("EPA") or the State of California to require that its invention be used. API, NPRA, and WSPA could not object to that; if the government were to conclude that the public interest is served by mandating the sale of an essential product only in its patented form, the patent system is not a bar to such an outcome.

But that is not what happened here. Unocal did not invent anything because gasoline falling within the scope of its claims has been marketed for years. Yet the District Court gave instructions to the jury not to consider, as within Unocal's claims, i.e., fuels that meet the specific property limitations of the claims and are "suitable for combustion in an automotive engine," and as a result the jury was able to reach the findings of fact that it did. Pet. at 41a, 46a-47a.

By failing to include an adequate written description in its application, by amending its claims to "resemble" the regulatory requirements as enacted, and also by not disclosing its patent application to CARB, EPA, or the industry, Unocal used the patent system to put refiners in a regulatory/patent law trap, the result of which will cause harm to the public. In many instances, if not all, either the public will pay more for RFG (if the royalties to be paid to Unocal are passed through to the consumer), or it will have less RFG available for use (due to cutbacks in production, as CITGO has already done), or both. Pet. at 9-10.

REASONS FOR GRANTING THE WRIT

The Court should grant a writ of certiorari to address whether a patent is valid when it merely copies existing or proposed regulatory requirements or fails to describe what was eventually covered. Moreover, this case raises questions of exceptional public importance with respect to air quality and economic harm to the Nation that also justify issuance of the writ.

I. UPHOLDING UNOCAL'S PATENTS WILL DISCOURAGE PRODUCTION OF RFG, THUS HARMING AIR QUALITY AND THWARTING CONGRESSIONAL INTENT.

Unocal has not only patented something it did not invent, but also it seeks to exploit the obligation of refiners, if they are to sell gasoline at all in California, to sell only RFG which Unocal claims to be covered by its '393 patent or other related patents. This raises matters of profound public policy concern. Unocal's actions not only expose refiners or their ultimate customers to higher costs and potentially higher prices,[4] but in doing so Unocal has discouraged refiners from continuing to produce RFG so as to avoid infringing on Unocal's patents. The uncertainty over Unocal's patents already has affected gasoline supply in the Midwest, and thus presumably prices, by discouraging refiners from producing the amount of RFG they

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[4] Unocal was held to be entitled to about 90 million dollars (including interest) for just a five-month portion of 1996, with litigation continuing about other time periods.

would otherwise have produced, as discussed *supra*.[5] This is a significant issue for California as well as much of the Nation.

The Clean Air Act as amended mandates sale of RFG in certain geographical areas of the country to reduce air pollution. *See American Petroleum Inst. v. EPA*, 52 F.3d 1113 (D.C. Cir. 1995). RFG achieves air quality benefits for some pollutants, such as air toxics (e.g., benzene), nitrogen oxides ("NOx"), and volatile organic compounds ("VOCs"). Thus, Unocal's claims of patent infringement directly discourage the production of a product that Congress has determined is important to public health. The State of California in its *amicus curiae* brief (at 1) on rehearing before the Federal Circuit noted: "Unocal abused the patent process by trying to patent the results of a joint public-private effort to improve public health, in an effort to hijack California's administrative regulatory process to obtain monopoly power in the market for cleaner-burning gasoline."

Recent events, including new regulatory requirements for RFG sold in the Midwest and production decisions by oil-producing countries, have caused certain States to seek suspension of the RFG program and sparked calls from some public officials to consider repealing it. The possibility that some gasoline sold, used, distributed, or blended outside of California will also be found to infringe one or more of Unocal's patents has only exacerbated the problem. Such actions would be contrary to public policy because of the need to reduce air pollution in certain identified areas.

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[5] See Michael Liedtke, *Fuel Patent Could Drive Up Prices at Pump Nationwide*, THE COMMERCIAL APPEAL, June 2, 2000, at C2.

Unocal's patent also undermines public policy for other reasons. When refiners and others were obliged to meet more stringent requirements for the RFG they sell, they made substantial changes to their refineries, at great expense. Indeed, some estimates of the cumulative impact of all of EPA's recently adopted or proposed requirements on refineries approximate or exceed the entire net book value of those refineries.[6] Because such investments were made entirely at the risk of the refiner, a subsequent decision to suspend or reverse the RFG requirements previously imposed leaves the refiner with unnecessary investments and exposed to the risk that other refiners who did not make such appropriate investments may be able to produce gasoline for less. There is no public benefit in such wasted investments or in harming refiners who make substantial investments to comply with governmental mandates.

If those who sell RFG in certain areas continue to do so while paying Unocal royalties, it is likely to cause consumers to incur higher prices for gasoline at no public benefit. The total cost to the Nation of such royalties is itself a reason to grant a writ of certiorari.[7]

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[6] "Projected U.S. refining capital expenditures of $37 billion (1990 dollars) in the 1991-2000 period for product quality (cleaner transportation fuels) and stationary source regulatory compliance exceed the total net fixed asset base of U.S. refineries of $31 billion at the start of this period." NATIONAL PETROLEUM COUNCIL, 1 U.S. PETROLEUM REFINING - MEETING REQUIREMENTS FOR CLEANER FUELS AND REFINERIES 5 (August 1993).

[7] Unocal's recent letters to United States gasoline refiners (*supra* note 3) are eloquent testimony of both the breadth of Unocal's nationwide claims and the hundreds of millions or billions of dollars at issue if Unocal's '393 patent is not invalidated.

II. UNOCAL'S PATENT WAS INVALID BECAUSE IT DID NOT INVENT ANYTHING, BUT RATHER TRACKED THE REGULATORY REQUIREMENTS FOR RFG COMPOSITION.

A. Federal Statutory and Regulatory Framework.

Government regulation of gasoline to reduce automobile emissions dates back to the 1970s. EPA's first regulatory actions under the Clean Air Act were to reduce the lead and phosphorus content of gasoline. *See* 38 Fed. Reg. 1,254 (Jan. 10, 1973)(col. 1). In 1989, EPA issued its first regulation directed at reducing gasoline volatility by reducing its Reid vapor pressure ("RVP"), 54 Fed. Reg. 11,868 (March 22, 1989)(col. 1), followed by a second round of regulations that reduced RVP even further. *See* 55 Fed. Reg. 23,658 (June 11, 1990)(col. 1). Reducing RVP reduces emissions of smog-causing VOCs.

In 1989, Congress seriously considered a bill that contained a provision to further regulate gasoline by reducing RVP, and a provision that would have required EPA to promulgate regulations to improve fuel quality by reducing emissions of hydrocarbons[8], NOx, particulate matter, and hazardous air pollutants. S. 1630, 101st Cong. (1989) *reprinted in* LEGISLATIVE HISTORY OF THE CLEAN AIR ACT AMENDMENTS OF 1990, at 9169-70 (1993). Although clean gasoline

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[8] The hydrocarbons that make up a typical gasoline are divided into three broad groups -- aromatics, olefins, and paraffins. KEITH OWEN AND TREVOR COLEY, AUTOMOTIVE FUELS REFERENCE BOOK (2nd ed. 1995). Once olefins are limited, for example, essentially to zero, and aromatics are limited to less than 25 percent, as CARB did, it necessarily follows that paraffins will constitute about 75 percent or more of the hydrocarbons in gasoline.

requirements and proposals had been published for years, the first significant amendment leading to the RFG program ultimately enacted was a Senate amendment (Wirth-Wilson) on March 20, 1990, that would have required reductions in aromatics, VOCs, toxics, and CO emissions. 136 CONG. REC. S2806-07 (1990) *reprinted in* LEGISLATIVE HISTORY OF THE CLEAN AIR ACT AMENDMENTS OF 1990, at 5951-52 (1993). Another similar amendment was introduced on March 29, 1990, by Senators Daschle, Dole, and Harkin, focused on reducing emissions of NOx, hydrocarbons, CO, and aromatics. 136 CONG. REC. S3502-07 (1990) *reprinted in* LEGISLATIVE HISTORY OF THE CLEAN AIR ACT AMENDMENTS OF 1990, at 6782-88 and 6816-18 (1993).[9] Congressmen Richardson and Madigan introduced another version in the House on May 23, 1990, that focused on controlling aromatics, oxygen content, VOCs, and other potentially hazardous emissions. 136 CONG. REC. H2765-66 (1990) *reprinted in* LEGISLATIVE HISTORY OF THE CLEAN AIR ACT AMENDMENTS OF 1990, at 2058-2065 and 2693-2703 (1993).

At the same time Congress was contemplating action on legislation to mandate the sale of RFG in certain areas to reduce emissions, refiners were individually moving forward with efforts to introduce lower emission gasolines. The debates surrounding these amendments demonstrate that the relationship between fuel parameter control and emissions reduction was understood by this time, and Congress was also aware that numerous petroleum companies were marketing what was referred to as RFG. Ultimately, the Daschle-Dole-Harkin

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[9] Notably, both Senate amendments were introduced *before* the "invention" date of Unocal's patent of March 30, 1990. Pet. at 50a. Thus, Unocal claims to have invented something, substantial components of which had already been set out in proposed legislation.

amendment and the Richardson-Madigan amendment were reconciled in conference and were enacted as 42 U.S.C. § 7545(k).

As enacted on November 15, 1990, section 211(k)(1) of the Clean Air Act, 42 U.S.C. § 7545(k)(1), required EPA to promulgate regulations to control, *inter alia,* emissions of VOCs, NOx, and toxics from use of gasoline. Specifically, EPA was required to ensure that NOx emissions did not increase, and that VOC and air toxic emissions were reduced to the greatest extent achievable taking into consideration costs and other factors. In addition to these general requirements, 42 U.S.C. § 7545(k)(3) specifically required that emissions of VOC and air toxic pollutants be reduced by 15 percent in Phase I of the RFG program (1995-2000) and 25 percent in Phase II (2000 and thereafter). It also provided, however, that the Administrator could adjust the Phase II standards depending on technological feasibility and costs.

The details of the RFG program on the Federal level were developed during a regulatory negotiation sponsored by EPA and actively participated in by Unocal, and in the subsequent EPA rulemaking process. EPA developed a complex computer model that describes the relationship between fuel parameters and gasoline VOC, NOx, and air toxics emission performance.[10] After developing this model, EPA analyzed refinery models to estimate the cost of controlling the individual fuel parameters. Based on these analyses, EPA promulgated

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[10] EPA's "complex model" uses mathematical formulae to calculate total VOC, NOx, and air toxics performance as a function of seven fuel characteristics -- oxygen, sulfur, RVP, aromatics, benzene, olefins, and distillation properties. 40 C.F.R. § 80.45 (1999). With the help of the "complex model," EPA estimated the costs associated with adjusting each of the fuel characteristics. *See* 59 Fed. Reg. 7,716, 7,750 (Feb. 16, 1994).

what it believed at the time were (as here relevant) cost-effective Phase II VOC, NOx, and air toxics performance standards. These computations led EPA to ultimately conclude that reductions of RVP offered a cost-effective means of satisfying Congressional intent to reduce VOC and air toxics emissions without increasing NOx emissions. *See* 59 Fed. Reg. 7,716, 7,750 & Table VI-1 (Feb. 16, 1994).

For example, limiting RVP to 6.7 psi reduced estimated VOC emissions by 25.5 percent but was estimated to cost only 0.26 cents per gallon, while a reduction in sulfur would have reduced VOC emissions by only an additional 1.9 percent while estimated to cost 0.92 cents per gallon. *Id.* Based on these values, it is clear that EPA would have regarded an additional cost of 5.75 cents per gallon royalty to be paid Unocal as substantial and unreasonable, given that EPA estimated the *total* costs of the Phase II RFG program for refiners to be 4 to 7 cents per gallon. 59 Fed. Reg. at 7,810 (col. 1).

Based on its evaluation of emission impacts *and refining costs* (as section 211(k)(1) of the Clean Air Act requires it to do), EPA adopted its stringent Phase II VOC, NOx, and air toxics standards on gasoline with properties that fall within the scope of Unocal's patents. U.S. ENVIRONMENTAL PROTECTION AGENCY, EPA REPORT ON VEHICLE PERFORMANCE WITH PHASE II RFG, EPA420-R-99-025, Appendix E.

Had EPA known of Unocal's plans for patenting the RFG requirements at the time its regulations were promulgated, EPA might well have concluded that the cost of Unocal's patents was too great to impose on refiners and, based on this history, might have imposed less-stringent RFG requirements, taking into account the cost of the Unocal patent claims. The Unocal patent claims, therefore, if upheld, could seriously impact the

regulatory judgments that EPA has made and must continue to make, and could lead to an increase in air pollution, a cutback in the scope of the federal RFG program, or both.

B. California's Regulatory Program for RFG.

The process of developing reformulated gasolines for use in California began in 1987, when the Governor appointed an advisory board to evaluate the feasibility of developing a new formula gasoline that would be equivalent to or cleaner than emissions from then-existing gasolines. CALIFORNIA ADVISORY BOARD ON AIR QUALITY AND FUELS, 1 REPORT TO THE CALIFORNIA LEGISLATIVE, at 1-2 (Oct. 2, 1989). Unocal's current Chairman was appointed by the Governor to serve as a member of the advisory board. *Id.* at iv. To facilitate increased use of cleaner fuels, the advisory board recommended that CARB promulgate new regulations containing air quality based performance standards for vehicle fuels. *Id.* at 6-8 and 26-27.

By 1990, based in part on the efforts of the advisory board, CARB had begun the process of amending its existing regulations to promulgate appropriate requirements for cleaner gasoline to be sold in California. CARB held a workshop in March 1990 on such matters, and other workshops were held throughout 1990 "to discuss the basis for the proposals, projected emission inventories, emission reduction estimates, cost estimates, and the regulatory language." CALIFORNIA AIR RESOURCES BOARD, REFORMULATED GASOLINE: PROPOSED PHASE 1 SPECIFICATIONS, STAFF REPORT, at 6 (Aug. 13, 1990).

CARB's Staff Report on the results of those workshops included the views that the Staff would recommend to the Board, in a section entitled "What is the staff considering for Phase 2 gasoline specifications?" *Id.* The CARB Staff Report

explained that various programs and studies were then underway, with industry participation that "will provide information which can be incorporated into the development of the Phase 2 specifications." *Id.* Among the criteria then under consideration were a reduction in RVP to 7.0 psi, and limits on aromatics, olefins, benzene, and oxygen. *Id.* Unocal and others participated in the process and suggested regulatory criteria. CALIFORNIA AIR RESOURCES BOARD, 1 PROPOSED REGULATIONS FOR CALIFORNIA PHASE 2 REFORMULATED GASOLINE, STAFF REPORT, at 28 (Oct. 4, 1991).

In the 1990 Amendments to the Clean Air Act, Congress required RFG to be sold in significant portions of California and other areas where there were substantially elevated concentrations of ozone. Congress also provided for its use in other parts of California and in other areas classified as "nonattainment" areas for ozone. *See American Petroleum Inst. v. EPA*, 198 F.3d 275 (D.C. Cir. 2000). The month after the Clean Air Act Amendments of 1990 were enacted into law, Unocal filed its patent application for RFG.

Unocal thus relied on information gleaned from its participation in California regulatory process, as well as the EPA proceedings (*supra* Section II.A) to prepare its patent application, unbeknownst to the rest of the petroleum industry, CARB, EPA, or the public. Moreover, when CARB published its RFG rules in 1991, Unocal amended all of its claims to "resemble" CARB's rules. What good, after all, would be a patent on RFG that did not conform to CARB's rules? If it did not conform, it could not be licensed.

C. Unocal's Patent Application Was Tailored to CARB's Proposed Requirements for RFG.

During development of the RFG requirements in Congress and at CARB, Unocal was preparing its application for the patent at issue in this case. Unocal's application was filed in December 1990, one month after passage of the 1990 Clean Air Act Amendments. The parameters stated for Unocal's "invention" were, for the most part, broad ranges for RFG properties -- *e.g.*, RVP up to 8.0 psi when CARB had already limited RVP to 7.8 -- rather than exact terms descriptive of unique combinations of properties defining a product, which were then amended to "resemble" CARB's revised regulations.[11] As such, Unocal's '393 patent failed to satisfy the statutory requirement that the application "contain a written description of the invention and of the manner and process of making and using it, in such *full, clear, concise, and exact terms*" so as to justify the award of a patent. 35 U.S.C. § 112 (emphasis added). These ranges corresponded either to then-applicable lawful ranges for gasoline that could be sold in California or to the proposed rules that CARB was expected to issue.

D. Unocal Amended All of Its Claims to "Resemble" Changes in CARB's Requirements.

CARB and EPA then continued with their respective rulemaking proceedings over the next few years. As those proceedings, especially CARB's, developed in ways that differed from what Unocal had proposed in its application, Unocal

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[11] The ranges that were included in the application were for things such as olefins, RVP, T10, T50, T90, and other characteristics. "T10," "T50," and "T90" are the temperatures at which 10 percent, 50 percent, and 90 percent of the gasoline vaporizes, respectively.

amended all of its claims to "resemble" CARB's new requirements.

For the convenience of the Court, we set out below, as here relevant, the amended requirements of CARB for RFG sold in California that were published or put into effect after Unocal had filed its patent application, and before it amended its application to "resemble" CARB's requirements:

Initial Patent Application	**Final CARB Regulation/Limit**	**Amended Patent Application**
Taught T10 of ≤140°F. JA 1465, 13:54-56 to 14:44-48; JA 5493.	CARB did not limit T10. CAL. CODE REGS. tit. 13, § 2262.6 (2000).	Raise T10 to ≤158°F (the maximum allowed under CA law). JA 594-96, 972.
Preferred olefin content of 0%. JA 465. Most original claims limited olefin prescribed 0%-2%. JA 397.	Olefin flat limit of 6%, an average limit of 4%, and a cap of 10%. CAL. CODE REGS. tit. 13, § 2262.4 (2000).	0% olefin restriction dropped; 33 of 34 claims limiting olefins specify the 4%, 6%, or 10% limitation mandated by CARB. JA 472.
Min. aromatics content at least 35% (JA 465: 14:63-68); one claim had 35% min. JA 386.	Limited aromatics to 25%; no min. rqmts. JA 573.2. CAL. CODE REGS. tit. 13, § 2262.7 (2000).	Removed the minimum aromatics limitation from its claims. JA 592.1-592.
Most claims limited RVP to ≤8.0 psi. JA 397.	7.0 psi CAL. CODE REGS. tit.13, § 2262.1 (2000).	All but one claim now limit RVP to 7.0 psi or lower.

A good example, displayed in the above Table, of a parameter for which no CARB requirement was imposed in CARB's final rules was T10. Unocal included a limit for T10 of 140 degrees Fahrenheit in its original patent application, with 120 degrees Fahrenheit as the preferred limit. When CARB did not include the 140-degree limit in its final rules, Unocal amended its application to specify a T10 limit of 158 degrees Fahrenheit, the maximum standard of the American Society of Testing and Materials ("ASTM").[12] These changes clearly illustrate that Unocal's patent application was nothing more than a recitation of whatever the applicable regulatory limit established. Unocal was not "inventing" RFG, but rather copying regulatory requirements -- a process that here created amended claims that bore little resemblance to the original claims. This is a violation of longstanding, black-letter patent law. *E.g., In re Ruschig*, 379 F.2d 990, 994-95 (CCPA 1967) (requiring "blaze marks" along the trail from the application as filed to the application as amended so as to ensure that the inventor was in possession of the invention on the date of the application).

What makes this case especially important to API, NPRA, WSPA, their members, and the consuming public is that Unocal did not just patent one or a few of the possible combinations of RFG that comply with CARB's requirements. Rather, Unocal claimed to have patented *all or nearly all possible combinations of RFG that would meet CARB's requirements* (*supra* notes 2 and 3).[13]

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[12] Many States, including California, apply ASTM standards as minimum State requirements for commercial products sold therein.

[13] As the State of California so aptly put it in its *amicus curiae* brief (at 5) before the Federal Circuit:

(continued...)

E. The Logic of the Second Circuit's Decision to Invalidate a Copyright, the Language of Which Was Required by Federal Law, Should Also Invalidate Unocal's Patents.

In *SmithKline Beecham, Inc. v. Watson Pharmaceuticals, Inc.*, 211 F.3d 21 (2d Cir.), *cert. pending*, No. 00-019, 69 U.S.L.W. 3023 (July 3, 2000), the Second Circuit invalidated a copyright for printed matter required for use in the sale of consumer products, in that case generic drugs. The Second Circuit's statement of its holding is instructive: "Appellees cannot be liable for copyright infringement because the Hatch-Waxman Amendments require generic drug producers to use the same labeling as was approved by the FDA for, and is used by, the producer of the pioneer drug." 211 F.3d at 29. The Federal Circuit's holding that Unocal's '393 patent is valid cannot be squared with the logic of the Second Circuit's opinion in *SmithKline Beecham*. *See* Pet. at 14-16.

III. UNOCAL'S PATENT WAS FOR OLD PRODUCTS, NOT NEW INVENTIONS, AND THUS SHOULD BE DECLARED INVALID.

Petitioners convincingly demonstrate that the evidence of record is unrebutted that Unocal itself was making gasoline

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[13](...continued)

Failure to strictly construe the written description requirement will encourage the filing of broad, preliminary, and ill-defined patent applications at the beginning of an administrative rulemaking process, followed by substantial amendments that conform more closely to the developing and ultimately-adopted regulatory requirements. This would all be achieved without disclosure to the rulemaking body, and distort the agency's ability to pursue the public interest. This is simply bad public policy.

for automobile racing purposes which also was "suitable for combustion in an automotive engine," to quote Unocal's patent, and that Chevron was making aviation gasoline since the 1970s that also was "suitable for combustion in an automotive engine." Unocal's racing gasoline was even marketed to everyday automobile drivers. Moreover, industry literature has long included compositions of gasolines covered by Unocal's patent at issue in this case. Pet. at 19-22. It follows that Unocal did not "invent" anything because products covered by its claims were made, marketed, or published in the literature, long before it filed its patent application. 35 U.S.C. § 101 (whoever "invents or discovers any new and useful ... composition of matter ... may obtain a patent").

The patent statutes clearly would have prevented the Patent Office from issuing the '393 patent to Unocal, had it known of the prior art, and should have caused the lower courts to invalidate the patent once the prior art became known. *See* 35 U.S.C. § 102(a) (prohibiting patent issuance if "the invention was known or used by others ... before the invention thereof by the applicant for the patent"). The result should not be different even though prior art gasolines were not intended as RFG for the general public. *McCarthy v. Lehigh Valley R. Co.*, 160 U.S. 110, 116 (1895) (courts lack power to rewrite claims to exclude products covered by them). Moreover, "it is not an invention to perceive that the product which others had discovered" could be utilized in ways that were not previously perceived. *General Electric Co. v. Jewel Incandescent Lamp Co.*, 326 U.S. 242 (1948). Because Petitioners have covered this topic well in the Petition, *amici* simply adopt their argument.

CONCLUSION

For the foregoing reasons, and those stated in the Petition, the Petition for a writ of certiorari to review the judgment of the Federal Circuit should be granted.

Respectfully submitted,

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